

Direct Deposit (EFT) Bank Reversal Procedures

Reversal requests submitted after 2:30 p.m. on Wednesday of payday week will only be accepted for the following reasons:

- Overpayment of at least 80 hours
- Overpayment on a separated employee's last payment
- Overpayment on an employee that will remain on LWOP in the subsequent pay period(s)
- Payments made via EFT to a deceased employee
- Bank account information entered incorrectly by the agency

OSUP will continue to accept and review all reversal requests received prior to 2:30 p.m. on Wednesday of payday week.

1. Per the Rule on Recoupment of Overpayments §705, **the agency must notify the employee immediately in writing of the overpayment details.** In the written notification, for the option to recoup an overpayment through a direct deposit reversal, advise the employee that their entire payday payment, ***not just the amount overpaid***, will be taken back from their bank account (Main Bank as well as any "Other" bank accounts active for the pay period the reversal is being requested).

Requests received by OSUP prior to 2:30 p.m. on Wednesday of payday week will allow the corrected payment to be deposited to and available in the employee's bank account on Monday following payday, but could be available as early as that Friday payday. **Note:** Times may change during holiday processing.

If the agency's request to reverse is sent to OSUP after 2:30 p.m. on Wednesday of payday week and is one of the acceptable reasons listed above, agencies must also advise the employee that any amount owed to them will be delayed at least 9 calendar days from the date of the request (possibly longer depending on off-cycle closures and holidays) before the corrected payment is received in his/her bank account.

2. If a Direct Deposit Bank Reversal is selected by the employee in writing as the option to recoup the overpayment, the agency must submit an email request to OSUP. Email requests must be sent to all [BFA Unit](#) staff and must be copied to the agency/department head or HR Director.

Requests must include the following information:

- Subject of email should be "Direct Deposit Reversal Request - **Employee Name, PN**" (only one employee per email)
- Details of the error and how/why occurred
- **What agency processes are being reviewed to avoid this type of error on future entries**

October 29, 2009

- **Indicate if the employee has been notified of both the bank reversal process and the potential delays of any payment owed** (see #1 above)
 - Pay date (separate emails for each payday being requested)
 - Employee's name
 - Employee's personnel number
 - Gross pay amount
 - Net pay amount
 - Gross overpaid amount
 - Number of hours overpaid
 - Separation date, if applicable
 - Agency contact name, phone number & email address
3. After OSUP reviews the direct deposit bank reversal request, the agency will be notified of approval or denial.
 4. Once approved, the agency must Fax an [OSUP/F3 \(R 09/22/06\)](#) - Reverse Employee Check/EFT form and required backup (remuneration statement), or in some situations, an [OSUP/F2 \(R 11/29/04\)](#) - Replacement Employee Check/EFT form to (225) 219-4432. Refer to OSUP Reverse and Replace procedures on how to complete these forms.
 5. Agency personnel must correct all master data, time entry and/or bank data prior to OSUP processing the LaGov HCM Reversal, [OSUP/F3](#). Agencies **must** also simulate payroll **immediately** after changes have been made to verify that the employee is in a claim status for overpayments. An off-cycle must **not** be saved until OSUP processes the LaGov HCM Reversal. Agencies must notify OSUP, via email by **"replying to all"** on the approval email the agency received from OSUP, when **both** the employee record changes have been completed and the simulation of payroll has produced the expected results.
 6. Agencies will be notified by OSUP via email once the reversal has been completed so that an off-cycle payment can be processed if applicable.
 7. If an off-cycle is processed for a payment owed to a separated employee, the agency must run another payroll simulation to verify the accuracy of the employee record changes and the reversal processed. Once verified to be correct, **run and save** an off-cycle correction. If the saved off-cycle results in a claim or no net payment, contact the LaGov HCM Help Desk and advise them that the results should not be deleted.

To avoid employee overpayments and check for potential errors, agencies should run payroll simulations whenever master data changes and/or retro time changes are made. Agencies should also run reports **before and** after payroll processing to identify problems and/or errors. A list of recommended reports can be found on the ["Agency's Critical Reports Calendar"](#) located on the OIS website.